



NEWS / LEGISLATION

FINANCIAL INSTITUTIONS COMMITTEE State Legislative Subcommittee

PENDING CALIFORNIA LEGISLATION of interest to banks, as of

February 5, 2003

Submitted by Bob Mulford

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A.B. 3 (Calderon), introduced December 2, 2002

Consumer Credit Reporting Agencies Act of 2004 (spot bill)

A.B. 46 (Similian), as amended January 22, 2003

Would add Civil Code 1798.86 to prohibit an employer from requiring an employee to use his/her social security number for any purpose other than taxes. Other identity theft provisions (Penal Code 530.5, 667.13)

A.B. 73 (Lowenthal), introduced December 19, 2002

Would add Financial Code 4003 to prohibit a charge card issuer, financial institution, or other lender from soliciting extensions of credit by sending unsolicited checks to consumers who reside in California. Violation would result in liability for the amount of the check and any nonsufficient funds fees.

A.B. 169 (Chavez), introduced January 23, 2003

Would amend the California Finance Lenders Law by exempting certain venture capital companies (new Financial Code 22012).

A.B. 196 (Leno), introduced January 27, 2003

Would amend Government Code 12926, which prohibits discrimination and harassment on the basis of sex, etc., by including gender in the definition of sex. Employers would be permitted to require employees to comply with reasonable workplace appearance, grooming, and dress standards (consistent with state and federal law), if employees are allowed to appear or dress consistently with their gender identity. [need p. 2 of bill]

S.B. 1 (Speier), introduced December 2, 2002. Set for hearing (Judiciary Committee) February 18, 2003

Would enact the California Financial Information Privacy Act (Financial Code 4050 to 4059. A financial information could share a consumer's nonpublic financial information
Ø with affiliated companies, only if the consumer has not opted out after receiving a specific notice;
Ø with nonaffiliated financial companies with who the financial institution has contracted to provide financial products and services, only if the consumer has not opted out after receiving a specific notice;

Ø with nonaffiliated companies which whom the financial institution has not entered into a contract, only if the consumer has opted in after receiving a specific notice.
The law would preempt local ordinances.

S.B. 25 (Bowen), introduced December 2, 2002

Would amend Civil Code 1785.11.1 and 1798.85 to require any person who uses a consumer report in connection with the approval of credit to take reasonable steps to verify the consumer's identity. If a person has placed a security alert in his/her file requesting that identity be verified by calling a specific telephone number, the person who receives the statement with the consumer alert must call that number before lending money or the like.

S.B. 27 (Figueroa), last amended January 9, 2003

Would amend Civil Code 1798.80 through 1798.84, to allow a consumer to demand a written report from any business that has disclosed the consumer's personal information to a third party for direct marketing purposes. The report would have to include a description of the sources and recipients of the information, and copies of the information disclosed. No business could condition the sale of goods or services on the consumer's consent to disclosure of the consumer's personal information to third parties for direct marketing purposes.

Violation: Civil penalty of up to \$3,000 and reasonable attorneys fees.

S.B. 122 (Escutia), introduced February 4, 2003

Would amend Bus. & Pro Code 17204 to require any person suing under Bus. & Pro Code 17,200, etc., on behalf of himself or the general public to notify the local district attorney within 3 days.

Bob Mulford February 5, 2003